

it. We visited China some time back to encourage C-DOT further. We especially took C.M.D. of C-DOT with us to introduce him in other countries. We are likely to get an order for about thirty crore rupees from Columbia and it is in final stage. We are also likely to get an order from Ethiopia. We are trying our best to encourage C-DOT and it is better that we are Chairman of C-DOT, hence it is our responsibility also.

SHRI SHATRUGHAN PRASAD SINGH: Mr. Chairman, Sir, I would like to know regarding the tenders being invited in the Telecom sector. Has honourable Minister examined the fact that black listed tenderers name figure in the list of recent tenderers? Whether the tenders invited in the current year were accepted without making an enquiry and even the tenders of those were accepted whose name appear in the black list of telecom scam. Will honourable Minister explain it ?

SHRI BENI PRASAD VARMA: Sir, soon after assuming the post of Minister, I referred the matters regarding tender to a committee. As honourable Member has raised doubts, I had also information that companies included in the black list were also given opportunity to give their tenders. I shall get the doubts raised by member investigated and action will be taken if something found wrong.

SHRI BHERU LAL MEENA: Mr. Chairman, Sir, antenna Tower P.C.O. are installed in rural areas. A year also there was a complaint that it has failed. The firm which supplied it, is not good one. Action will be taken to replace it and now it is being installed again. I would like to know whether the same firm is installing it or it is being installed by any other firm? Is Antenna Tower P.C.O. of poor quality being installed again? Complaints will continue since it will not work. Will honourable Minister consider it ?

SHRI BENI PRASAD VARMA: Mr. Chairman, Sir, this question was mainly concerned with big cities. But the point raised by you concerns large section of people. Hence, I want to say that your concern is our concern. I have told just now that MARR is not working properly. Thus, we should go for Direct lines and small exchanges and we are also considering to close that. We are trying to improve the existing MARR system. We shall try to improve it, but we are contemplating to close it also.

SHRI BHERU LAL MEENA: Sir, rural areas are being neglected in this manner. Nothing has been installed by now and will be in future.

MR. CHAIRMAN: He has replied.

SHRI BHERU LAL MEENA: I know what you mean. Work will not be done. Rural people will keep waiting. It is therefore, requested that rural areas should be given priority, so that their work is also done properly. Year after year will pass by saying so. Hence, these should be given priority.

SHRI BENI PRASAD VARMA: I am more worried than you. We shall give that much priority as we can. That is why we are considering to replace MARR with Direct lines.

[Translation]

### Production of Steel

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\*563 SHRIMATI SHEELA GAUTAM:

SHRI RAVINDRA KUMAR PANDEY:

Will the Minister of STEEL be pleased to state:

(a) the production of steel in the public and private sector during 1996-97 and the production in each of the public sector plants during this period;

(b) the target of production fixed for the public sector, plant-wise for the year 1997-98 and the installed capacity of each plant; and

(c) the steps taken to increase the capacity utilisation?

[English]

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) to (c) A Statement is laid on the Table of the Lok Sabha.

(a) As per provisional estimates, about 8.53 million tonnes of finished steel was produced in the public sector and about 13.42 million tonnes in the private sector during 1996-97. Plant-wise production in the public sector are as under:

(In million tonnes)

Plant	Production (Provisional)
1. SAIL:	
(i) Bhilai Steel Plant	2.39
(ii) Durgapur Steel Plant	0.59
(iii) Rourkela Steel Plant	1.12
(iv) Bokaro Steel Plant	2.70
(v) Indian Iron & Steel Co. Ltd.	0.28
2. RINL:	1.45

(b) The plan for plant-wise production of finished steel in the public sector for the year 1997-98 and the installed capacity are as under:

(In million tonnes)

Plant	Plan	Installed Capacity
1. SAIL:		
(i) Bhilai Steel Plant	2.33	2.60
(ii) Durgapur Steel Plant	0.66	0.73
(iii) Rourkela Steel Plant	1.24	1.21
(iv) Bokaro Steel Plant	3.31	3.16
(v) Indian Iron & Steel Company Limited.	0.35	0.35
2. RINL:	1.85	2.41

(c) In a market economy capacity utilisation would depend on several factors such as demand, availability, prices, etc. In order to improve capacity utilisation, SAIL has taken up modernisation of its plants at Rourkela, Bokaro and Durgapur. Other steps being taken by SAIL include improving the quality of inputs, improving operating and maintenance practices, maximising captive power generation and improving inter-plant synergy. Similarly, Rashtriya Ispat Nigam Limited (RINL) has taken measures to improve capacity utilisation by setting up of balancing facilities, imparting training and skill development to the employees, taking up modifications to the plant and equipment to improve production and productivity, capital restructuring, cost reduction, etc.

[Translation]

SHRIMATI SHEELA GAUTAM: Mr. Chairman, Sir, as per the statistical figures regarding plantwise production in the public sector given by the hon. Minister in his reply, the installed capacity of RINL is 24.1 lakh tonnes while the production has been 18.5 lakh tonnes. It means that the production has been just one third of the capacity. I would like to know from the hon. Minister as to whether any study has been undertaken to adopt the measures for increasing the production? Part (b)—the hon. Minister in his reply has stated that measures have been taken to improve capacity utilization by setting up of balancing facilities, imparting training to the employees, and developing skills among them, undertaking modifications in the plants and equipments to improve production and productivity capital restructuring, cost reduction etc. I would like to know from the hon. Minister whether he has given a formal reply or the Government really propose to take some concrete measures.

[English]

SHRI BIRENDRA PRASAD BAISHYA: Madam, I agree with the hon. Member that the RINL, shortly known as the Vizag Steel Plant, is still to fulfil the target. So, the Board of Directors of Rashtriya Ispat Nigam Limited took an ambitious decision in respect of expansion and modernisation of the Plant. Already, the decision has been approved by the Ministry and the Planning Commission also endorsed the proposal. Now, I am awaiting clearance from the Finance Ministry. You know that in comparison with the developed countries of the world, our technology is not competitive. So, although we have invested a huge amount of money in RINL, yet it is highly necessary to expand and modernise the Plant. If I get clearance from the Finance Ministry, I am confident that the Vizag Steel Plant, in the near future, is going to be well equipped.

[Translation]

SHRIMATI SHEELA GAUTAM: Sir, secondly, the hon. Minister, in his reply has referred to IFC. I would like to draw the attention of the hon. Minister to the newspaper dated 27 Oct, 1996. It says that the performance of Indian steel industry is likely to decline. I would not ask you whether you have read this news item or not. However,

as per the report 1000 companies with the involvement of 110 members have invested more than about 14,000 million dollars in 40 steel companies. 29 new steel plants are proposed to be set up in India in which Rs. 31,523 Crore are required to be invested. I do not want to go into other details in this regard. I would like to know from the hon. Minister the reason for the decline in the performance of Indian steel companies in comparison to the companies in other countries. What steps are being taken by the Government to save our steel companies from this. What are the facilities required to be given to them in this regard and whether the Government propose to provide those facilities to them.

[English]

SHRI BIRENDRA PRASAD BAISHYA: I do not agree with the hon. Member that the performance of the Indian steel industry is declining. This is not true. The performance of the Indian steel industry is in progress. At the time of Independence, in 1951 India produced only one million tonne of steel. In 1991-92, India produced 14.3 million tonnes of steel. In 1995-96, India produced 21.4 million tonnes of steel. And in 1996-97, India produced 21.95 million tonnes of steel. Our exports match our imports. It is true that in international market, the price of steel have been going down. Therefore, the Government of India have taken various measures for the development of steel industry in our country. You know, after the new economic policy was adopted by the Government of India in 1991, economic reforms started in our country. The Government of India have taken several measures in connection with the economic reforms. The steel industry is open for the private sector also who can bring in foreign investment up to 74 per cent of the equity. Our secondary steel sector is also doing very well. In the last Budget, hon. Finance Minister has presented a very healthy Budget for the steel industry. I hope, with these measures, steel industry is going to do well in future also...(Interruptions)

SHRI RAJIV PRATAP RUDY: Madam, Q. No. 577 is also on the same subject.

MR. CHAIRMAN: Since this question has begun, let it continue. I have to see that.

SHRI K.S.R. MURTHY: About the utilisation of the installed capacity of the steel plants, the Bhilai Steel Plant, the Durgapur Steel Plant and the RINL have not come up to the expectations. As the hon. Minister has been mentioning, it is the technology modernisation. But I would like to ask the hon. Minister why the minimum necessary action is not being taken to constitute the Board or even to appoint the Chairman and Managing Director whenever the post falls vacant. I know about the RINL, Visakhapatnam where the post of the Chairman and Managing Director has been vacant for the last three months.

Can this happen in the private sector? It can never happen in the private sector to leave such a huge organisation without the CMD. We, in the public sector, are failing because we have no interest in running the public

sector. The CMD is not appointed. The Board of Directors is not properly constituted. It contains people who do not have adequate experience of the industry with which the factory runs.

So, my submission to the hon. Minister is to kindly expedite the constitution of the Board of Directors, put professional men in the Board of Directors and as CMD. No politicians should be there and only professional people should be there. Adequate autonomy should be given to the companies so that they can run their companies well. We are failing in several public sector units because we are not taking professional talented people in these companies and the CMD is also not appointed.

SHRI BIRENDRA PRASAD BAISHYA: Madam, I am really thankful to the hon. Member for putting a very important question. But as far as the first part of his question is concerned I would like to clarify that I am not agreeing to it and it is not correct that the Bhilai Steel Plant, Bakaro Steel Plant and Durgapur Steel Plant are not utilising the installed capacity. For the information of the hon. Member, I would like to submit that for the Bhilai Steel Plant, the crude utilisation capacity is 107 per cent during 1996-97.

The second part of his question was regarding the appointment of the CMD. It is a very important question. Everybody should be concerned about it. It is known to everybody that the CMD of a public enterprise is not appointed by the Ministry. There is Public Enterprise Selection Board which recommends a panel and from that panel, the Ministry appoints the CMD. But before the appointment of any person, the vigilance clearance is necessary. It is true that for the last three months there is no CMD. But it is because that there was no vigilance clearance. The Selection Board has given two names but I am waiting for the vigilance clearance for those persons. I have not yet got the vigilance clearance till today. It is a statutory norm that if the vigilance clearance is not taken, it will not be possible to appoint anybody...*(Interruptions)*

SHRI K.S.R. MURTHY: All these vigilance clearances, etc., should have been taken six months before the CMD retires. What is the point in asking for the vigilance clearance after the CMD has retired?

SHRI BIRENDRA PRASAD BAISHYA: Madam, Chairperson, this is not true. At a proper time, my Ministry communicated with the Selection Board to select the person for the Vizag Steel Plant. The Committee recommended a panel. As soon as they recommended, we immediately approached the Vigilance Commission. But my Ministry cannot do anything without the Vigilance clearance ...*(Interruptions)*

KUMARI MAMATA BANERJEE: You can pursue ...*(Interruptions)*

SHRI BIRENDRA PRASAD BAISHYA: Madam, my Ministry has pursued it like anything. We have written several letters in this regard. Daily, my Secretary communi-

cates with the Vigilance Commission to send the vigilance clearance...*(Interruptions)*

SHRI NITISH BHARADWAJ: Hon. Chairperson, I would like to draw the attention of the hon. Minister to his answer where he said, "For the modifications to the plant and equipment, and to improve the capacity utilisation, they are recommending to impart training and skill development to the employees." As you know, his Ministry has also asked for certain permission from the Planning Commission and the Finance Ministry so that new equipments can be installed for better productivity. But the problem that comes along with the new equipments, is voluntary retirement.

Even in public sector you have recommended the voluntary retirement scheme. In the private sector also, for example in my constituency in TISCO, there is voluntary retirement scheme. You are suggesting to give training to the employees, that means, people are not made to retire forcibly. But you must understand, the people who are outside the companies after the modernisation of the plants take place, are also trained people. Even in TISCO there are so many trained people who are never made permanent. They are called *Asthai Muzdoor*. They are never made permanent. Along with training to the employees who are a part of the company, are you giving any guidelines to these companies in public and private sectors, so that they can use the trained personnel who are outside the company to set up any ancillary units or some such units that will complement the steel production of the main plant?

You have just now said in your answer that Bhilai, Durgapur plants are utilising more than a hundred per cent capacity. But, in spite of that, in your own answer you have stated that Bhilai plant plans to produce 2.33 million tonnes whereas the installed capacity is 2.6 million tonnes; and Durgapur produces 0.66 million tonnes whereas its installed capacity is 0.73 million tonnes. I do not know how you said that more than a hundred per cent capacity is being utilised. I did not understand that. But the fact of the matter is that trained personnel are sitting outside the plant and their capacities are not being utilised. Please give some guidelines in this regard.

Have you got any plans to give guidelines to these companies, so that their services could be utilised and the steel production could be enhanced ?

SHRI BIRENDRA PRASAD BAISHYA: The hon. Member has some doubt about the utilisation of the installed capacity in the steel plants. Under the SAIL there is not only Durgapur Steel Plant, but there are Bokaro Steel Plant, Bhilai Steel Plant and Rourkela Steel Plant also. There is no doubt that the capacity utilisation as against the installed capacity in Durgapur Steel Plant is less. But when I had given the answer, I categorically said that the saleable steel utilisation capacity against the installed capacity in 1995-96 in the SAIL as a whole is above one hundred per cent.

Regarding the voluntary retirement scheme, the essential and trained personnel are not permitted to take the benefit of voluntary retirement from service.

Regarding TISCO, it is a private organisation. My Ministry has very little say in the private sector. After the new economic reforms, no licences are necessary. No counsel is given. So, there is very little of our say in the private sector steel plants.

SHRI NITISH BHARADWAJ: The answer remains incomplete.

SHRI NIRMAL KANTI CHATTERJEE: Thanks all the more because my colleague was insisting. *...(Interruptions)*

SHRI BANWARI LAL PUROHIT: Next question.

SHRI NIRMAL KANTI CHATTERJEE: You please ask the question, I will give the answer. We shall, after some time.

MR. CHAIRMAN: You are not supposed to answer them.

SHRI NIRMAL KANTI CHATTERJEE: You were kept busy by the Marshall. Therefore, I was utilising the time.

MR. CHAIRMAN: No. Not at all. I was very much looking at you.

SHRI NIRMAL KANTI CHATTERJEE: I have just one point. Whatever the Minister from the northeast says—he was preceded by another Minister for Steel from the northeast—he was very very sympathetic to his Ministry. I do not doubt that. But the fact remains that both China and India had started at the same level in the period 1949-51 just below one million ton.

Today, even without reforms coming into action, China produces more than 100 million tonnes of steel while we are still stagnating around 22 million tonnes of steel. This is the criticism about the approach to the steel sector.

Now, there is another problem related to this. I will ask my question a little later. The problem is a bit autobiographical. When the thrust on steel was proposed in the Second Five Year Plan, we were working on the Second Five Year Plan under Prof. Mahalanobis. I will come to my question. I will ask a question whether all that I say are true or not. We were a few young researchers who were critical about Prof. Mahalanobis' draft because he emphasised steel production but neglected the production of steel plant-making machinery in the country.

That is a grey area even today. Even today, our R&D is not strong enough and our establishment for manufacturing steel plants is not strong enough so that we can really be self-reliant. I am not excluding the idea that we borrow technology from outside. But here is another area of weakness.

The main problem is whether he would agree or not that over the years, the amount of investment that was necessary was not provided by the Government. Would he agree to that? This applies to IISCO; this applies to Durgapur also. *...(Interruptions)*

MR. CHAIRMAN: What is your question?

SHRI NIRMAL KANTI CHATTERJEE: This is my question. Would he agree that we have neglected it and that in future, in the Ninth Five Year Plan, such neglect would be avoided? *...(Interruption)*

MR. CHAIRMAN: Only one person can Chair here. If all of you want to come, I have no objection.

*(Interruption)*

SHRI SATYA PAL JAIN: Nobody will get a chance. We are still on the same subject. He should ask the question.

MR. CHAIRMAN: All are welcome.

*(Interruptions)*

MR. CHAIRMAN: I have told him to put the question.

*(Interruptions)*

MR. CHAIRMAN: Please do not waste the Question Hour.

SHRI NIRMAL KANTI CHATTERJEE: Also, there is contract labour. Would he abolish it as in the case of the Railways? About the CMD, he should have taken the initiative much before. Would he agree on that?

SHRI BIRENDRA PRASAD BAISHYA: I am really very thankful to Shri Nirmal Kanti Chatterjee. He is a learned friend. He has given various suggestions for the development of steel industry in our country.

I would like to say something. Shri Chatterjee has spoken about R&D. I may agree with that. Even earlier, I had said in the House categorically that the R&D expenditure in our country is less than one per cent.

Regarding steel production of China, he has raised a very vital issue. Consumption of steel is dependent upon the economic and industrial development of a country. The Chinese industrial development and economic growth is going up. The consumption of steel is very less in our country. Per capita steel consumption in India consumes only 23 per kg. In China it is high. So, we cannot compare with China. But I would like to clarify one aspect. *...(Interruptions)*

SHRI SONTOSH MOHAN DEV: The Chinese communists are more responsible than the Indian Communists. You can say that too.

SHRI NIRMAL KANTI CHATTERJEE: There is no Congress Party in China to ruin that country.

SHRI BIRENDRA PRASAD BAISHYA: China has a very ambitious plan. They produce a lot. But one aspect is that if we see the demand and supply position of China, their production is higher than supply. There is no demand. The demand is not going up. In China, the demand is declining.

12.00 hrs.

Thirdly, there is another very important question. The Planning Commission had set up a working group on iron and steel and it has projected a very ambitious plan during the Ninth Five Year Plan. During the Ninth Five Year Plan, the steel industry is projected to invest Rs. 52,498 crore—Rs. 20,005 crore in the public sector and Rs. 32,493 crore in the private sector. The Steel Authority of India Limited alone is going to invest Rs. 15,000 crore during the Ninth Five Year Plan.

MR. CHAIRMAN: I wanted to call out the name of Shri Rudy. But I am sorry, time is not there.

## WRITTEN ANSWERS TO QUESTIONS

[Translation]

### Privatisation of Communication Sector

\*564. SHRI PANKAJ CHOWDHARY: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Government have taken final decision regarding participation of private sector in the communication sector;

(b) if so, the details thereof; and

(c) if not, the time by which a final decision is likely to be taken in this regard?

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA): (a) and (b)

### Telecommunication Sector

Government have taken the following decisions in regard to private participation in the Telecom Sector:-

(i) With the announcement of New Industrial Policy in July, 1991, the entire Telecom Manufacturing Sector has been opened up for private participation.

(ii) Private participation has been permitted in Value Added Telecom Services since July, 1992. With the announcement of National Telecom Policy in 1994, private investment in Basic Telecom Services has also been permitted.

### Postal Sector

Participation of the private sector in the postal services has been only marginal and that also in the role of augmenting the efforts of the Department of Posts. Private agencies have been participating in identified area of activity like sale of stamps and stationery, transportation of mails and provision of additional public facilities at a few places like—post shop. However, with the exception of these limited areas, it is not at present envisaged to involve private operators as an organised sector in the activities of the Department of Posts, both in terms of the extant

policy of the Government in the postal sector and from the point of view of fulfilling the inherent social purpose of postal services.

(c) Does not arise in view of the above.

### Financial Assistance For Development of Tourism

\*565. SHRI NAWAL KISHORE RAI:

SHRI NITISH KUMAR:

Will the Minister of TOURISM be pleased to state:

(a) whether the states Governments have sought financial assistance from the Union Government for development of projects relating to tourism during the Eighth Five Year Plan Period;

(b) if so, the details thereof, State-wise and the financial assistance provided by the Union Government to each State for the purpose during the above period; and

(c) the criteria fixed by the Union Government for extending financial assistance for development of projects relating to tourism in the States?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM: (SHRI SRIKANTA JENA): (a) to (c) Central Financial Assistance is extended to specific tourism projects submitted by the State/Union Territory Governments. Each scheme has its own criteria. Generally projects are sanctioned, based on their merits, inter-se-priority and availability of funds. The Central Financial Assistance sanctioned to each of the State/Union Territory Governments during the Eighth Plan period is as given below:

S.No.	State/U.T.	Amount Sanctioned (Rs. in lakhs)
1	2	3
1.	Andhra Pradesh	436.63
2.	Assam	437.34
3.	Arunachal Pradesh	156.28
4.	Bihar	376.88
5.	Goa	598.96
6.	Gujarat	190.58
7.	Haryana	723.19
8.	Himachal Pradesh	1615.21
9.	Jammu and Kashmir	826.75
10.	Karnataka	1178.31
11.	Kerala	1014.87
12.	Madhya Pradesh	80.81
13.	Maharashtra	1065.40
14.	Manipur	243.45
15.	Meghalaya	110.36